

**UNIVERSITI TEKNOLOGI MARA**

**FACTOR INFLUENCING THE  
PERCEPTION OF CUSTOMER  
TOWARD ISLAMIC BANKING: A  
CASE STUDY IN ALOR GAJAH,  
MELAKA**

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Academic Writing submitted in partial fulfilment of the  
requirements for the degree of  
**Bachelor in Muamalat**


**Academy of Contemporary Islamic Studies**

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## **AUTHOR'S DECLARATION**

I declare that the work in this academic writing was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This academic writing has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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## **ABSTRACT**

The banking system not success due to certain factors like awareness regarding Islamic banking system when the Islamic banking was start in 1963 in Malaysia. Then new Islamic bank Dubai Islamic bank was established in 1975. Today approximately 100 banks are operating without interest, but the market of Islamic banking system is low as compared to conventional banking system. The reasons of this research are to check the impact of knowledge and awareness, online banking, advertising and service quality on the perception of customers toward Islamic banking system in Alor Gajah. For this purpose, survey is used which consist of 88 Muslims respondent in different Islamic bank in Alor Gajah, Melaka. Result of this study indicates that there is a significant perception criterion regarding Islamic banking system (IBS). The data is analysed by using SPSS software version. Mostly respondent know about the Islamic banking product and service but they are not used these product and service. This study indicates that there is need to educate the people about IBS and more work are still required to compete with conventional banking system in Malaysia.

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